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The hard road ahead on the comeback trail

■ It was just a small detail in Week One of the rehabilitation of Ronald Reagan, but it did not go unnoticed. On Howard Baker's first day on the job as White House chief of staff, Vice President George Bush popped into his office to suggest they walk together to their daily morning meeting with the President. When the ousted Donald Regan was chief of staff, Bush generally went unaccompanied; Regan, in fact, often made sure he was alone with the President *before* the Vice President entered the room. But after that first morning, Baker made a point of seeking Bush out each day for their stroll together to the Oval Office. "It's a small gesture," says a White House aide. "But it means something to people around here."

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>
> **Ronald Reagan**

In a city built on such symbols, there were suddenly plenty to offer last week. After three long months of official administration silence, internal squabbling and organizational chaos, Howard Baker's open, collegial style quickly brought a sense of *glasnost* to the White House. Not only was the new chief of staff quick to remind reporters that "Ronald Reagan is President, and I am not," he also orchestrated enough decisive presidential action to make his case. A quick withdrawal of the Robert Gates nomination as CIA director and the naming of the highly respected FBI Director William Webster for the job averted a brewing squabble with Congress. But even more important was the speed with which Reagan was coaxed out of hibernation and onto the stump again—first to announce a positive response to a Soviet arms-control initiative (see story, page 26), and then in a carefully calibrated prime-time appearance to try and recoup his Presidency.

The 13-minute speech was an act of considerable contrition, the closest this usually upbeat septuagenarian has come to admitting failure in his long career. The President called his own Iran policy "a mistake," admitting it had "deteriorated . . . into trading arms for hostages" and concluded with vintage Reagan optimism. "You take your knocks, you learn your lessons and then you move on . . .," the President said. "You pull your energies together. You change." Aides say Reagan was adamant about stressing one point in drafting his address—that he knew nothing about any diversion of funds to the Nicaraguan rebels.

But being President may mean never having to say you're sorry—and Reagan stopped short of offering the nation a personal apology. "How far do you go before you go too far?" asks a Baker aide. "A President shouldn't have to apologize." In the end, the lack of a formal, personal *mea culpa* appeared to mean very little to the two constituencies Reagan needed to impress—the public and the Congress. White House aides were buoyed by a switchboard flooded with well-wishers and overnight poll results showing a 10-point jump in his approval rating. And the appealingly candid tone was hard for any politician, even recently emboldened Congressional Democrats, to criticize. "The old fear has returned that Ronald Reagan is back," crowed one White House hand. "They're afraid Reagan will slap them down again."

That kind of hyperbole is premature, to say the least. While Reagan may have regained some public appeal and credibility last week, his administration is still deeply troubled, facing another six months of very public congressional investigations into the Iran-Contra scandal. What's more, beyond this new spate of staff shuffling and speechmaking, the presidential agenda remains very much a spent force largely at the mercy of an increasingly aggressive Democratic congressional leadership anxious to jump in and fill policy vacuums.

Howard Baker—as a former majority and minority leader in the Senate—is no novice in dealing with such political predicaments. His patience with congressional colleagues is legendary, and he took it with him to the White House last week when he counseled shell-shocked Regan holdovers: "Don't worry, boys. We're going to work our way out of this." His "old shoe" style, as one administration aide describes it, was a welcome change from Regan's drill-sergeant school of management. On his third day at the office, Baker surprised old hands when he missed the daily 8 a.m. staff meeting—a session Regan religiously convened on time. The reason, Baker explained the next day, was simple

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Webster's shift from FBI to the CIA should help the Reagan team

Continued

enough. He had been working on the President's speech until almost midnight and, he admitted: "Frankly, I needed the sleep. I hope it won't happen often, but it probably will happen again."

If beleaguered White House aides breathed a sigh of relief, so did the individual who matters most to the President—Nancy Reagan. Baker went out of his way to praise Mrs. Reagan as "a lady of strong convictions"—his embarrassed clarification of an earlier comment that "when she gets her hackles up, she can be a dragon." The First Lady assured Baker she bears no hard feelings. And the new chief of staff's good standing with the First Family was further confirmed when a good-luck floral arrangement arrived in his office from daughter Maureen Reagan.

Cajoling Congress

With Nancy and Maureen Reagan comforted by Baker, his former GOP colleagues on Capitol Hill were overjoyed. House Minority Leader Bob Michel (R-Ill.), who watched Reagan's speech with Baker at the White House, found himself humming and singing as he walked the congressional corridors. Even Democrats had to admit something smelled different. "Howard Baker will get votes for the President," says Senator James Sasser, a Tennessee Democrat. "He is more popular in Congress than either the President or his policies."

But Baker is more than popular: He is attuned both to Democratic politics and to the proclivity of job-conscious Republicans to abandon ineffective, lame-duck Presidents. With that in mind, he spent much of last week consulting with congressional leaders about ways to reframe a successful Reagan agenda—or at least adopt a set of policies that could make the President a player again.

Baker put off all presidential travel until the end of this month, telling aides he wants the President to have a clear message to deliver on the road—a decision sure to meet with Nancy Reagan's vital approval. And if Reagan's quick appearance before newspaper editors last week denouncing a preoccupation with the Iran controversy as "inside-Washington politics" indicates what's in store, he could well begin a revival of his still popular anti-Washington theme.

The substance of the remainder of the Reagan White House is not as predictable. On the domestic front, Baker brings a more traditional economic approach that shuns supply-side gurus (he once called Reaganomics a "riverboat gamble"), and it is now more likely that Federal Reserve Chairman Paul Volcker will be reappointed later this year—if he wants to be (Regan never hid his disdain for Volcker). Baker has also told leaders he wants to help fashion compromises on trade and budget policy.

Salvage strategy

Baker has made it clear to aides he will not push for a tax increase to narrow the budget deficit, even though that was a personal preference in the past. But he did consult with congressional GOP leaders last week about possible budget compromises, including the idea of an economic summit. "That would be a brilliant tactical stroke," says influential House Budget Committee member Buddy MacKay (D-Fla.). "The President could come out of it looking like a real leader instead of a stumbling, bumbling old man."

In the foreign-policy arena, the new chief of staff has already made congressional Democrats think twice about how to handle the nettlesome issue of funding for the Nicaraguan rebels. In a challenge to the Congress that Baker clearly thinks he can now win, the administration last week asked for the release of the final $40 million in aid from last year's package. In the wake of the Iran scandal, some Democrats had thought they could block the request, but now they have given up—and are instead concentrating on cutting off future rebel aid.

More important than the Contra-funding issue are the larger questions of the future of the Strategic Defense Initiative and arms control. Both Baker and Nancy Reagan are interested in an arms-limitation agreement with the Soviets as a top priority. Last week, Reagan made a point of appearing before the White House press corps to welcome a new Soviet initiative to reduce intermediate-range nuclear missiles. While longtime Reagan ally Lyn Nofziger points out that Baker is "not a peace-at-any-price guy," other conservatives saw this development as a potential Soviet trap into which Baker could push the President.

Reassuring the Right

Indeed, no one knows better than Howard Baker that the greatest public-relations challenge in this job will come in trying to convince the original Reaganauts that he will let Reagan be Reagan. Conservative favorite Paul Laxalt, who recommended Baker for the job, promises the Republican Right that the new chief of staff will "bring within the fold responsible movement conservatives," and has so far kept hard-liners at bay. For his part, Baker quickly assured conservative Gary Bauer, the domestic-policy assistant, that he would remain on the White House staff—and then added archconservative Kenneth Cribb, the deputy attorney general, to his transition team. "The leader of the conservative movement is sitting in the Oval Office," says Bauer, convinced that Reagan will not abandon his bedrock principles. But others are still eying Baker nervously. "If he becomes a surrogate President," says House maverick conservative Newt Gingrich (R-Ga.), "we will have a major civil war within the Republican Party."

Baker and a personal team led by former aides Tom Griscom and James Cannon are working to build a unified staff to head off internecine turmoil. Baker himself assured Bauer, Political Director Frank Donatelli and White House spokesman Marlin Fitzwater that their jobs were safe. And he also placed a call to Australia to former Tennessee Governor Lamar Alexander, the chairman of Baker's defunct presidential effort, to ask for advice—although Alexander is unlikely to join the staff.

A more probable lineup includes Griscom as a deputy to the chief of staff or even as communications director, replacing the controversial John Koehler—who irked some new staffers when he claimed predecessor Pat Buchanan's office by moving in over the weekend. Other staff possibilities include Cannon as senior adviser, former White House congressional liaison Kenneth Duberstein and former Baker Senate staffer Howard Liebengood.

Shifting gears

For Baker aides accustomed to the open world on Capitol Hill where tourists and reporters roam with comparatively few restrictions, the isolation of life in the White House has forced some adjustments. So has the speed at which a presidential staff—especially this new one—has to move in making decisions. "The White House is not the world's greatest deliberative body. There's no learning curve here," says a Baker ally. "You have to be on target right out of the box." Last week, at least, they succeeded. But as Howard Baker, self-described small-town lawyer and sometime fireside philosopher, so often counsels, overnight can be a lifetime in politics. ■

by Gloria Borger with Kenneth T. Walsh and Andy Plattner